

**PUERTO RICO COMMUNITY NETWORK FOR  
CLINICAL RESEARCH ON AIDS, INC.  
(A NOT-FOR PROFIT ORGANIZATION)**

**FINANCIAL STATEMENTS IN ACCORDANCE  
WITH OMB CIRCULAR A-133  
FOR THE YEAR ENDED DECEMBER 31, 2014  
WITH INDEPENDENT AUDITORS' REPORT**

**PUERTO RICO COMMUNITY NETWORK FOR CLINICAL  
RESEARCH ON AIDS, INC.**

**FINANCIAL STATEMENTS  
DECEMBER 31, 2014**

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## **INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS**

To the Board of Directors of  
Puerto Rico Community Network for Clinical  
Research on Aids, Inc.:  
San Juan, Puerto Rico

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Puerto Rico Community Network For Clinical Research on Aids, Inc. (a not-for profit organization) which comprise the statement of financial position as of December 31, 2014, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion.

**INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS**  
**(CONTINUED)**

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Puerto Rico Community Network For Clinical Research on Aids, Inc. (a not-for profit organization) as of December 31, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matter**

Our audit was conducted for the purposes of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

**INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS**  
**(CONTINUED)**

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 10, 2015 on our consideration of Puerto Rico Community Network For Clinical Research on Aids, Inc internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Puerto Rico Community Network For Clinical Research on Aids, Inc. internal control over financial reporting and compliance.

San Juan, Puerto Rico  
September 10, 2015

*Diaz & Candelaria PSC*  
License 34, Expire December 1, 2016  
The stamp No. 02723390 of Puerto Rico State  
Society of Certified Public Accountants was  
affixed to the record copy of this report.



**PUERTO RICO COMMUNITY NETWORK FOR CLINICAL  
RESEARCH ON AIDS, INC.**

**STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2014**

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**ASSETS**

Cash in Bank	\$ 203,793
Grants and Contracts Receivable (Note B)	154,153
Accounts Receivable-Medical Insurance (Note A11)	289,883
Inventory (Note A12)	62,088
Property and Equipment, net (Note C)	191,767
Total Assets	<u><u>\$ 901,684</u></u>

**LIABILITIES AND NET ASSETS**

Liabilities:

Accounts Payable	\$ 145,412
Accrued Expenses and Withholdings	233,146
Line of Credit (Note D)	47,161
Deferred Revenues	11,045
Total Liabilities	<u>436,764</u>

Net Assets:

Unrestricted	443,307
Temporarily Restricted (Note E)	21,613
Total Net Assets	<u>464,920</u>
Total Liabilities and Net Assets	<u><u>\$ 901,684</u></u>

The Accompanying Notes are an Integral Part of these Financial Statements

**PUERTO RICO COMMUNITY NETWORK FOR CLINICAL  
RESEARCH ON AIDS, INC.**

**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
DECEMBER 31, 2014**

	<b>UNRESTRICTED</b>	<b>TEMPORARILY RESTRICTED</b>	<b>TOTAL</b>
<b>REVENUES AND OTHER SUPPORT</b>			
Government Grants and Contracts	\$ -	\$ 2,415,334	\$ 2,415,334
Private Cooperative Agreement	55,982	65,510	121,492
Medical Insurance Revenues	875,919	-	875,919
Patient Payments Revenue	4,655	-	4,655
Donations	36,662	5,400	42,062
Other	6,502	544	7,046
Total Revenues and Other Support	979,720	2,486,788	3,466,508
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>			
Satisfaction of Program Restrictions	2,485,923	(2,485,923)	-
Total Revenues and Other Support	3,465,643	865	3,466,508
<b>EXPENDITURES</b>			
Program Services:			
Clinical Services Program	1,976,955	-	1,976,955
Dental Program	335,319	-	335,319
Medical Specialist Program	3,738	-	3,738
Youth and Adolescent Program	427,982	-	427,982
Education and Prevention Program	73,649	-	73,649
Other Complementary Program	112,428	-	112,428
Total Program Services	2,930,071	-	2,930,071
Support Services:			
General and Administrative	273,499	-	273,499
Total Support Services	273,499	-	273,499
Total Expenditures	3,203,570	-	3,203,570
Changes in Net Assets	262,073	865	262,938
Net Assets, Beginning of Year, as restated	181,234	20,748	201,982
<b>Net Assets, End of Year</b>	<b>\$ 443,307</b>	<b>\$ 21,613</b>	<b>\$ 464,920</b>

The Accompanying Notes are an Integral Part of these Financial Statements

**PUERTO RICO COMMUNITY NETWORK FOR CLINICAL  
RESEARCH ON AIDS, INC.**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

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**CASH FLOWS FROM OPERATING ACTIVITIES:**

Changes in Net Assets	\$ 262,938
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Adjustment to reconcile changes in net assets  
to net cash provided by operating activities:

Depreciation and Amortization	31,152
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Decrease (Increase) in:

-Grants and Contract Receivable	(1,202)
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-Accounts Receivable-Medical Insurance	(270,529)
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-Inventory	(62,088)
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Increase (Decrease) in:

-Accounts Payable and Accrued Expenses	77,522
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-Payroll Taxes and Accrued Vacations	43,590
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-Deferred Revenues	(17,080)
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Net Cash Provided by (Used) In Operating Activities	<hr/> <b>64,303</b> <hr/>
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**CASH FLOWS FROM INVESTING ACTIVITIES:**

Purchase of Property and Equipment	(22,370)
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Net Cash Provided by (Used) in investing activities	<hr/> <b>(22,370)</b> <hr/>
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**CASH FLOWS FROM FINANCING ACTIVITIES:**

Net Change in Line of Credit	(33,241)
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Net Cash Provided by (Used) In Investing Activities	<hr/> <b>(33,241)</b> <hr/>
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Net Increase (Decrease) in Cash	8,692
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Cash at Beginning of Year	<hr/> <b>195,101</b> <hr/>
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Cash at End of Year	<hr/> <b>\$ 203,793</b> <hr/>
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The Accompanying Notes are an Integral Part of these Financial Statements.



**PUERTO RICO COMMUNITY NETWORK FOR CLINICAL  
RESEARCH ON AIDS, INC.**

**SCHEDULE OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Description	Program Expenses	General and Administrative Expenses	Total
Personnel compensation	\$ 1,323,711	\$ 35,244	\$ 1,358,955
Payroll taxes	128,756	3,369	132,125
Other employee benefits	152,686	3,426	156,112
Medical & health specialist	350,496	180	350,676
Other professional services	44,793	64,036	108,829
Office expense	12,983	22,004	34,987
Communications	20,938	7,963	28,901
Occupancy	47,632	28,464	76,096
Travel	18,438	1,604	20,042
Program activities	3,642	16,339	19,981
Interest and bank charges	-	7,479	7,479
Depreciation	32,158	-	32,158
Insurance	5,151	8,689	13,840
Medical and outreach materials	122,911	8,580	131,491
Prescribed drugs and medications	553,349	-	553,349
Laboratories	64,576	-	64,576
Staff education	911	4,024	4,935
Equipment rental and maintenance	23,327	44,676	68,003
Other expenses	23,613	17,422	41,035
<b>Total Expenditures</b>	<b>\$ 2,930,071</b>	<b>\$ 273,499</b>	<b>\$ 3,203,570</b>

The Accompanying Notes are an Integral Part of These Financial Statements.

**PUERTO RICO COMMUNITY NETWORK FOR CLINICAL  
RESEARCH ON AIDS, INC.**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014**

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**NOTE A - GENERAL ORGANIZATION AND SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES**

Puerto Rico Community Network for Clinical Research on AIDS, Inc. (Puerto Rico CONCRA) is a non-profit entity organized in June 1990 under the corporate laws of the Commonwealth of Puerto Rico and commenced operations during August 1990.

Puerto Rico CONCRA was organized to promote in Puerto Rico the development of scientific research to study the influence of certain experimental drug and other interventions on the progress of infections, neoplastic and auto immune diseases. It will also monitor and examine the effects of specific drugs on research participants through the establishment of one or more strictly controlled research groups, supervised by duly trained and licensed medical practitioners and study the natural history of and psycho-social variables which may affect the Acquired Immune Deficiency Syndrome and its related conditions.

During this year, Puerto Rico CONCRA receive approximately 69% of revenues and support from federal fund through the different sources and agencies.

**Summary of Significant Accounting Policies**

**(1) Basis of Accounting**

Basis of accounting refers to the point at which revenues and expenditures are recognized in the accounts and reported in the statement of activities. It is related to the timing of the measurements made, regardless of the measurements focus applied.

The accrual basis of accounting is follow by unrestricted net assets. Under this basis, revenues are recorded when earned, independently of when they are collected and expenses are recorded when incurred, independently of when they are paid.

**(2) Financial Statement Presentation**

Puerto Rico CONCRA has presented its financial statements in accordance with generally accepted accounting principles for not-for-profit organizations. Under this guidance, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Accordingly, net assets of the Puerto Rico CONCRA and changes therein are classified and reported as unrestricted and temporarily restricted.

**PUERTO RICO COMMUNITY NETWORK FOR CLINICAL  
RESEARCH ON AIDS, INC.**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014**

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**NOTE A - GENERAL ORGANIZATION AND SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES (CONTINUED)**

**(3) Recognition of Donor Restrictions**

Puerto Rico CONCRA reports cash and other assets as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

**(4) Contribution**

Puerto Rico CONCRA classified its contributions received depending on the existence and/or nature of any donor restrictions. Under this generally accepted accounting principles for not-for-profit organizations, the institution is required to distinguish between contributions received that increase unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. The contributions received, including unconditional promises to give, are recognized as revenues in the period received at their fair values. Conditional promises to give are recognized when they become unconditional, that is, when the conditions are substantially met.

**(5) Property and Equipment**

Property and equipment are stated at cost and have been primarily purchased with temporarily restricted support which the Entity has received upon satisfaction of certain conditions of the donor. Upon purchase, since donor conditions have been met, the Entity reclassifies the corresponding temporarily restricted net asset amounts to unrestricted net assets. Also, when satisfaction of condition is met, capitalizations of property and equipment cost are recorded into the unrestricted program.

Depreciation is calculated using the straight-line method based on the following estimated useful lives:

Building	40 years
Building improvements	10-40 years
Equipment	5 years

**PUERTO RICO COMMUNITY NETWORK FOR CLINICAL  
RESEARCH ON AIDS, INC.**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014**

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**NOTE A - GENERAL ORGANIZATION AND SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES (CONTINUED)**

**(6) Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**(7) Tax Status**

Puerto Rico CONCRA has been determined to be exempt from United States income taxes under Section 501(c)(3) of the Internal Revenue Code and from Puerto Rico taxes pursuant to Section 1101.01(2)(A) of the Puerto Rico Income Tax Act of 2011, as amended.

**(8) Uncertain Tax Positions**

Puerto Rico CONCRA follows the provisions of FASB ASC 740-10, which clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements. The FASB ASC 740 required the evaluation of the Organizations income tax position each year to determine whether is more-likely-than-not to be sustained if examined by the applicable taxing authority. The management of Puerto Rico CONCRA has evaluated its tax position and has concluded that this requirement has no effect on its financial position or changes in its net assets.

**(9) Cash and Cash Equivalents**

For the purpose of the statement of cash flows, Puerto Rico CONCRA considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

**PUERTO RICO COMMUNITY NETWORK FOR CLINICAL  
RESEARCH ON AIDS, INC.**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014**

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**NOTE A - GENERAL ORGANIZATION AND SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES (CONTINUED)**

**(10) Vacations and Sick Leave**

Employees of Puerto Rico CONCRA are entitled to 18 days of vacation and 18 days of sick leave annually. Sick leave is not accrued because it does not vest; employees are not paid for any sick leave balance at termination of employment or any other time. As of December 31, 2014 the accrued vacations of \$49,833 were included as accrued expenses in the statement of financial position.

**(11) Medical Insurance Revenue**

Puerto Rico CONCRA has agreements with third-party payers (medical insurance including state government Medicaid-Mi Salud) that provide for payments to Puerto Rico CONCRA at different rates. Medical insurance revenue is reported at the estimated net realizable amounts from third-party payers for services rendered and drugs and medicines dispensed. The revenues are recognized in the period in which Puerto Rico CONCRA provide the services and medicines to its patients.

**(12) Inventory**

Inventory of drugs and medicines are stated at the lower of cost (first-in, first-out basis).

**(13) Deferred Revenues**

Deferred revenues account is used to record revenues that do not meet both the measurable and available criteria for revenue recognition in the current period.

**PUERTO RICO COMMUNITY NETWORK FOR CLINICAL  
RESEARCH ON AIDS, INC.**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014**

**NOTE B - GRANTS AND CONTRACTS RECEIVABLE**

The accounts receivable from grants and contracts as of December 31, 2014, are described as follows:

<u><b>Agency-Program</b></u>	<u><b>Agreement or Contract Period</b></u>	<u><b>Balance</b></u>
Municipality of San Juan - Ryan White Part A Reimbursement contract	March 1, 2014 to February 28, 2015 Receivable for services rendered as of December 31, 2014	\$ 117,636
USA Health and Human Services - Ryan White Part D WICY	August 1, 2014 to July 31, 2015	26,285
USA Health and Human Services -HIV Prevention, Risk Reduction, and Enhanced HIV Testing for PR CDC (Nosotras)	September 30, 2014 to September 29, 2015	1,552
USA Health and Human Services -HIV Prevention Projects for the Commonwealth and U.S. Virgin Islands CDC (Todas)	July 1, 2014 to June 30, 2015	<u>8,680</u>
Total accounts receivable grants and contracts		<u><b>\$ 154,153</b></u>

**NOTE C - PROPERTY AND EQUIPMENT**

The following table summarizes the cost and accumulated depreciation of property and equipment:

<u>Description</u>	<u>Useful Life</u>	<u>Costs</u>	<u>Accumulated Depreciation</u>	<u>Net Value</u>
<b><u>General Program</u></b>				
Equipment	5 years	\$ 552,946	\$ 492,701	\$ 60,245
Building Improvements	10 years	<u>35,253</u>	<u>28,731</u>	<u>6,522</u>
		588,199	521,432	66,767
<b><u>Housing Program</u></b>				
Building	40 years	\$ 250,000	\$ 125,000	\$ 125,000
Building Improvements	10 years	<u>18,810</u>	<u>18,810</u>	<u>-</u>
		<u>268,810</u>	<u>143,810</u>	<u>125,000</u>
		<u><b>\$ 857,009</b></u>	<u><b>\$ 665,242</b></u>	<u><b>\$ 191,767</b></u>

**PUERTO RICO COMMUNITY NETWORK FOR CLINICAL  
RESEARCH ON AIDS, INC.**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014**

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**NOTE D - LINES OF CREDIT**

Puerto Rico CONCRA fulfill with a local financial institution a credit notes payable up to \$100,000. Interest rate of 3% over prime rate is charged in a monthly basis. This line of credit is guarantees with a note payable amounting \$110,000 to the real property described on Note C. The principal balance outstanding as of December 31, 2014, was \$47,161.

**NOTE E - TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets as of December 31, 2014 are available for the following purposes:

<b><u>Program</u></b>	<b><u>Activity</u></b>	<b><u>Balance</u></b>
Ryan White Part A	HIV Emergency Relief Project	\$ 9,288
Puerto Rico Legislative Grants	Mainly to provide support to dental health services	2,908
Special Projects	Private donations and contributions to provide essential support to achieve organization objectives	<u>9,417</u>
Total temporarily restricted net assets		<b><u>\$ 21,613</u></b>

Net assets were released from restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors. During the year ended December 31, 2014 the aggregated amount of net assets released from restrictions was \$2,485,923 (\$2,388,460 from federal government and \$97,463 from local government and private contributions). Such net assets were contributed to the Entity through conditional programs in the form of reimbursement contracts and grants awards, which are recorded as temporarily restricted revenues until specified conditions are met. Temporarily restricted funds received by Puerto Rico CONCRA during the year 2014 by Program are as follows:

**Ryan White Part A:**

Part A is a reimbursement contract that provides support to improve access to comprehensive continuum of high-quality community-based primary medical care and support services for people with HIV/AIDS. Budget period: March 1, 2014 to February 28, 2015.

**PUERTO RICO COMMUNITY NETWORK FOR CLINICAL  
RESEARCH ON AIDS, INC.**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014**

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**NOTE E - TEMPORARILY RESTRICTED NET ASSETS (Continuation)**

**Ryan White Part C:**

Part C is a grant award that provides support for early intervention and primary care services for people with HIV/AIDS. Budget period: January 1, 2014 to December 31, 2014.

**Ryan White Part D:**

Part D is a grant award that enhances access to comprehensive care for women, infants, children, youth, and affected family members, AIDS healthcare. Budget period: August 1, 2014 to July 31, 2015.

**Human Immunodeficiency Virus (HIV) Prevention Projects:**

CDC is a grant award that provides support for HIV prevention program. Budget period: July 1, 2014 to June 30, 2015.

**Human Immunodeficiency Virus (HIV) Prevention Projects:**

CDC is a grant award that provides support for HIV prevention, risk reduction and enhanced HIV testing for Puerto Rico. Budget period: September 30, 2014 to September 29, 2015.

**AIDS Education and Training Center:**

Budget period: September 30, 2014 to September 29, 2015.

**Other Assistance Programs:**

Include Puerto Rico Legislative Grant and private donations and contributions that provide support, which is essential for the organization to achieve its objectives.

**NOTE F - CONTINGENCIES**

Puerto Rico CONCRA participated in a number of federally-assisted grant programs. These grants are subject to audits by and/or on behalf of the grantors to assure compliance with grants provisions. Accordingly, the amount of expenditures which may be disallowed by the granting agencies, if any, will be established at some future date. However, Puerto Rico CONCRA's management expects such amounts, if any, to be immaterial.



**PUERTO RICO COMMUNITY NETWORK FOR CLINICAL  
RESEARCH ON AIDS, INC.**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014**

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**NOTE G - CONCENTRATION OF CREDIT RISK**

Puerto Rico CONCRA maintains its cash balance in a local financial institution. The balance is insured by the FDIC up to \$250,000. The balance at some times during the year may exceed the federally insurance limit.

**NOTE H – SUPPLEMENTAL DISCLOSURE OF CASH FLOWS STATEMENT**

Operating activities include interest and bank charges paid of \$7,479.

**NOTE I – PRIOR PERIOD ADJUSTMENTS**

Prior period adjustments were recorded to correct the beginning balance of temporarily restricted net asset in connection with the overstatement in grants and contracts receivable as follows:

Description	Unrestricted Net Assets	Temporarily restricted Net Assets	Total Net Assets
Balances at beginning of year	\$ 181,234	\$ 277,052	\$ 458,286
Grants and contracts receivable	-	( 256,304)	( 256,304)
Total adjustments	-	( 256,304)	( 256,304)
Balances at beginning of year -restated	<u>\$181,234</u>	<u>\$ 20,748</u>	<u>\$ 201,982</u>

The grants receivable were based on undrawn funds authorizations as of the end of prior year, an accepted practice. During the current year the grants and contracts receivable were recorded for qualifying expenditures incurred in advance of the receipts of funds authorized, a best practice.

**PUERTO RICO COMMUNITY NETWORK FOR CLINICAL  
RESEARCH ON AIDS, INC.**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014**

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**NOTE J - COMMITMENTS**

Puerto Rico CONCRA has an operating lease agreement for the use of facilities located on Ponce de León Avenue, Santurce, Puerto Rico. The terms of the lease agreement include a monthly payment of \$1,500 for the period from January 2012 to September 2016. Total rent expense for the year ended December 31, 2014 was \$18,000. The future minimum lease payments under the operating lease is as follow:

<u>Year Ending December 31,</u>	<u>Amount</u>
2015	18,000
2016	<u>13,500</u>
	<u>\$ 31,500</u>

**NOTE K – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through September 10, 2015, which was the date the financial statements were available to be issued. Except the subsequent event in the next paragraph, no events were identified that required adjustment or disclosure in the financial statements.

During the months of January, February and April 2015, Puerto Rico CONCRA issued various payments to paid in full the outstanding balance of the line of credit described in Note D.

SUPPLEMENTAL INFORMATION  
PUERTO RICO COMMUNITY NETWORK FOR CLINICAL  
RESEARCH ON AIDS, INC.

Schedule of Expenditures of Federal Awards

For the year ended December 31, 2014

**PUERTO RICO COMMUNITY NETWORK FOR CLINICAL  
RESEACH ON AIDS, INC.**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:**

**Direct programs:**

* HIV Prevention Projects for the Commonwealth of Puerto Rico and U.S. Virgin Islands	93.939	N/A	\$ 197,947
* HIV Prevention, Risk reduction and Enhanced HIV Testing for Puerto Rico	93.939	N/A	292,740
Total CFDA 93.939			<u>490,687</u>

* Ryan White Part C - Outpatient Early Intervention Services with Respect to HIV Decease	93.918	N/A	809,098
* Ryan White Part D - Primary Care Adolescent Initiative	93.153	N/A	348,805

**Pass-through from MUNICIPALITY OF SAN JUAN:**

* Ryan White Part A - HIV Emergency Relief Project Grants	93.914	N/A	639,657
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**Pass-through from Boston Universtity:**

AIDS Educational and Training Centers	93.145	N/A	100,213
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<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>	<u><b>2,388,460</b></u>
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<b>TOTAL FEDERAL FUNDS</b>	<u><b>\$ 2,388,460</b></u>
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\* Denote Major Programs

The accompanying notes are an integral part of this Schedule of Expenditures of Federal Awards

**PUERTO RICO COMMUNITY NETWORK FOR CLINICAL  
RESEACH ON AIDS, INC.**

**Notes to Schedule of Expenditures of Federal Awards  
For the year ended December 31, 2014**

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**NOTE A - BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal activity of Puerto Rico Community Network For Clinical Research On AIDS, Inc. (a not-for profit organization) under programs of the federal government for the year ended December 31, 2014. The information in this schedule is presented in accordance with the requirements of Office of Management and Budget (OMB) Circular A-133, *Audit of States Local Government and Nonprofit Organizations*. Because the schedule presents only a selected portion of the operations of the Puerto Rico Community Network For Clinical Research On AIDS, Inc. (a not-for profit organization), it is not intended to and does not present the financial position, changes in net assets or cash flows of Puerto Rico Community Network For Clinical Research On AIDS, Inc.

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, Cost Principles for Non-profit Organizations, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE C - FEDERAL CFDA NUMBER**

The Catalog of Federal Domestic Assistance (CFDA) Number is a program identification number. The first two digits identify the federal department or agency that administers the program and the last three numbers are assigned by numerical sequence accordingly with the program name within the corresponding agency.

**NOTE D – RELATIONSHIP TO FINANCIAL STATEMENTS**

The following is a conciliation of the expenditures per the schedule of federal awards to the statement of activities:

Expenses in the financial statements	\$ 3,203,570
Less: Non-federal expenses	<u>( 815,110)</u>
Total Federal Expenditures	<u><u>\$ 2,388,460</u></u>



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of  
Puerto Rico Community Network for  
Clinical Research on Aids, Inc.  
San Juan, Puerto Rico

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Puerto Rico Community Network for Clinical Research on Aids, Inc. (Puerto Rico CONCRA) (a nonprofit organization) which comprise the statement of financial position as of December 31, 2014, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 10, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Puerto Rico CONCRA's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Puerto Rico CONCRA's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS  
(CONTINUED)**

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies 2014-1.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Puerto Rico CONCRA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and questioned costs as items 2014-1.

**Puerto Rico CONCRA's Response to Findings**

Puerto Rico CONCRA's response to the findings identified in our audit is described in their corrective action plan. Puerto Rico CONCRA's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS  
(CONTINUED)**

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

San Juan, Puerto Rico  
September 10, 2015

*Diaz & Candelaria, PSC*

License number 34, Expire December 1, 2016  
The stamp No. 02723391 of Puerto Rico State  
Society of Certified Public Accountants was  
affixed to the record copy of this report.







**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

To the Board of Directors of  
Puerto Rico Community Network for  
Clinical Research on Aids, Inc.  
San Juan, Puerto Rico

Report on Compliance for Each Major Federal Program

We have audited Puerto Rico Community Network for Clinical Research on Aids, Inc. (Puerto Rico CONCRA) (a nonprofit organization) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Puerto Rico CONCRA's major federal programs for the year ended as of December 31, 2014. Puerto Rico CONCRA's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Puerto Rico CONCRA's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Government, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Puerto Rico CONCRA's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Puerto Rico CONCRA's compliance.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133  
(CONTINUED)**

Unmodified Opinion on Compliance for Each of the Other Major Federal Programs

In our opinion, Puerto Rico CONCRA's complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2014-2, and 2014-3. Our opinion on each major federal program is not modified with respect to these matters.

Puerto Rico CONCRA's response to the noncompliance findings identified in our audit is described in their corrective action plan. Puerto Rico CONCRA's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of Puerto Rico CONCRA is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Puerto Rico CONCRA's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A 133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Puerto Rico CONCRA's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133  
(CONTINUED)**

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2014-2 to be significant deficiencies.

Puerto Rico CONCRA's response to the internal control over compliance findings identified in our audit is described in their corrective action plan. Puerto Rico CONCRA's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

San Juan, Puerto Rico  
September 10, 2015

*Diaz & Candelaria, PSC*

License number 34, Expire December 1, 2016  
The stamp No. 02723392 of Puerto Rico State  
Society of Certified Public Accountants was  
affixed to the record copy of this report.



**PUERTO RICO COMMUNITY NETWORK FOR CLINICAL RESEARCH ON AIDS, INC.**

**Schedule of Findings and Questioned Costs**

For The Year Ended December 31, 2014

**Section I - Summary of Auditors' Results**

**Financial Statements:**

Types of auditors' report issued:	<u>Unmodified</u>
Internal Control over financial reporting:	
➤ Material Weakness(es) identified?	No
➤ Significant deficiency(ies) identified that are not considered to be material weaknesses?	Yes
Noncompliance material to financial statements noted?	Yes

**Federal Awards:**

Internal control over major programs:	
➤ Material Weakness(es) identified?	No
➤ Significant deficiency(ies) identified that are not considered to be material weaknesses?	Yes
Type of auditors' report issued on compliance for major programs:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?	Yes

**Mayor Program**

<u>CFDA Number(s)</u>	<u>Name of Federal Program</u>
93.918	Ryan White Part C - Outpatient Early Intervention Services with Respect to HIV Decease
93.153	Ryan White Part D - Coordinated HIV Services and Access to Research for Women, Infants, Children and Youth
93.914	Ryan White Part A - HIV Emergency Relief Project Grants
93.939	HIV Prevention - Projects for the Commonwealth of Puerto Rico and U.S Virgin Islands. Risk Reduction and Enhanced HIV Testing for Puerto Rico

Dollar threshold used to distinguish between type A and type B programs:	<u>\$ 300,000</u>
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Auditee qualified as low-risk auditee?	No
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**PUERTO RICO COMMUNITY NETWORK FOR CLINICAL RESEARCH ON AIDS, INC.**

**Schedule of Findings and Questioned Costs**

For The Year Ended December 31, 2014

**Section II - Financial Statements Findings**

<u>Program</u>	<u>Findings / Non-Compliance</u>	<u>Questioned Costs</u>
All Programs	<p>2014-1. Standards for financial management systems</p> <p><u>Criteria</u> The 45 CFR 74.21(b)(1) - Standards for financial management systems, establish that federal funds management systems shall provide for the accurate, current and complete disclosure of the financial results of each federally-sponsored project or program.</p> <p><u>Condition</u> Several audit adjustments were needed to correct account balances.</p> <p><u>Cause</u> At December 31, 2014, Puerto Rico CONCRA had not concluded implementing the corrective action plan prepared in September 12, 2014.</p> <p><u>Effect</u> The lack of current and accurate financial results difficult Management, to make decisions in the Puerto Rico CONCRA's fiscal operation, when needed.</p> <p><u>Recommendation</u> The accounting record should be maintained current and accurate in order to have available, reliable financial information, to be used in the managerial decisions process.</p>	N/A

**PUERTO RICO COMMUNITY NETWORK FOR CLINICAL RESEARCH ON AIDS, INC.**

## Schedule of Findings and Questioned Costs

For The Year Ended December 31, 2014

### Section III - Findings and Questioned Costs for Federal Awards

Program	Findings / Non-Compliance	Questioned Costs
Ryan White Part A CFDA NO. 93.914	2014-2. Standards for financial management systems	
Ryan White Part C CFDA NO. 93.918	As discussed on finding 2014-1., Several audit adjustments were needed to correct account balances.	
Ryan White Part D CFDA NO. 93.153	The accounting record should be maintained current and accurate in order to have available, reliable financial information, to be used in the managerial decisions process.	N/A
HIV Prevention CFDA NO. 93.939		
Ryan White Part C CFDA NO. 93.918	2014-3. Reporting Requirements	
	<u>Criteria</u>	
Ryan White Part D CFDA NO. 93.153	The OMB Circular A-110, Section .52 – Financial Report establish that quarterly Federal Financial Reports shall be submitted no later than 30 days after reporting period end date, and the final report is due 90 days after reporting year end date.	
HIV Prevention CFDA NO. 93.939		
	<u>Condition</u>	
	During our review of financial reporting, we noted that the Federal Financial Report for the quarter ended December 31, 2014, were submitted, 3 days after the due date.	N/A
	The annual report for the period ended June 30, 2014, in connection with HIV Prevention Projects CFDA 93.939 (Todas Program) were submitted 63 days after the due date.	N/A

**PUERTO RICO COMMUNITY NETWORK FOR CLINICAL RESEARCH ON AIDS, INC.**

**Schedule of Findings and Questioned Costs**

For The Year Ended December 31, 2014

**Section III - Findings and Questioned Costs for Federal Awards**

<u>Program</u>	<u>Findings / Non-Compliance</u>	<u>Questioned Costs</u>
Ryan White Part C CFDA NO. 93.918 Ryan White Part D CFDA NO. 93.153 HIV Prevention CFDA NO. 93.939	<p>2014-3. Reporting Requirements (Continued)</p> <p><u>Cause</u> The workload in the finance department was the primary cause of the involuntary omission of the delay in the submission of the reports.</p> <p><u>Effect</u> Non compliance with reporting requirements.</p> <p><u>Recommendation</u> We recommend procedures be established to ensure that reports are submitted on a timely basis as required by federal program regulations.</p>	

**PUERTO RICO COMMUNITY NETWORK FOR CLINICAL RESEARCH ON AIDS, INC.**

**Summary Schedule of Prior Year Findings**

For The Year Ended December 31, 2014

<u>Program</u>	<u>Findings / Non-Compliance</u>	<u>Questioned Costs</u>
Ryan White Part A CFDA NO. 93.914	2013-1 and 2013-2. Standards for financial management systems	
Ryan White Part C CFDA NO. 93.918	<u>Condition:</u> Puerto Rico CONCRA's accounts payable and withholdings in connection with payroll and payroll taxes were not reconciled as of December 31, 2013, with the corresponding subsidiary ledger or other supporting documentation.	N/A
Ryan White Part D CFDA NO. 93.153	<u>Current Status:</u> Condition corrected	
HIV Prevention CFDA NO. 93.939	<u>Condition:</u> Several audit adjustments were needed to correct account balances.	N/A
	<u>Current Status:</u> Condition is in process of clearance. Puerto Rico CONCRA had not concluded implementing the corrective action plan prepared in September 12, 2014.	
Ryan White Part A CFDA NO. 93.914	2012-1 and 2012-2. Standards for financial management systems	
Ryan White Part C CFDA NO. 93.918	<u>Condition:</u> Puerto Rico CONCRA's accounts payable were not reconciled as of December 31, 2013, with the corresponding subsidiary ledger or other supporting documentation.	N/A
Ryan White Part D CFDA NO. 93.153	<u>Current Status:</u> Condition corrected	
HIV Prevention CFDA NO. 93.939	<u>Condition:</u> Several audit adjustments were needed to correct account balances.	N/A
	<u>Current Status:</u> Condition is in process of clearance. Puerto Rico CONCRA had not concluded implementing the corrective action plan prepared in September 12, 2014.	



**PUERTO RICO COMMUNITY NETWORK FOR CLINICAL RESEARCH ON AIDS, INC.**

**Summary Schedule of Prior Year Findings**

For The Year Ended December 31, 2014

<u>Program</u>	<u>Findings / Non-Compliance</u>	<u>Questioned Costs</u>
Ryan White Part A CFDA NO. 93.914	2011-1. Financial and Program Management	
Ryan White Part C CFDA NO. 93.918	<u>Condition:</u> Several audit adjustments were necessary to correct account balances.	N/A
Ryan White Part D CFDA NO. 93.153	<u>Current Status:</u> Condition is in process of clearance. Puerto Rico CONCRA had not concluded implementing the corrective action plan prepared in September 12, 2014.	
Ryan White Part A CFDA NO. 93.914	2010-1 and 2010-3 Financial and Program Management	
Ryan White Part C CFDA NO. 93.918	<u>Condition:</u> Several audit adjustments were needed to correct account balances.	N/A
Ryan White Part D CFDA NO. 93.153	<u>Current Status:</u> Condition is in process of clearance. Puerto Rico CONCRA had not concluded implementing the corrective action plan prepared in September 12, 2014.	



P.O. Box 20850  
San Juan, Puerto Rico 00928-0850  
(787) 753-9443

Federal Audit Clearinghouse  
September 29, 2015

Puerto Rico Community Network for Clinical Research on AIDS, Inc. (Puerto Rico CONCRA). Corrective Action Plan. Single Audit, December 31, 2014

The following is the management response to Puerto Rico Community Network For Clinical Research On AIDS, Inc. (Puerto Rico CONCRA) independent annual financial audit, Schedule of Findings and Questioned Costs for the year ending December 31, 2014, Section III – Findings and Questioned Costs for Federal Awards:

Program		Questioned Costs
Ryan White Part A CFDA NO. 93.914  Ryan White Part C CFDA NO. 93.918  Ryan White Part D CFDA NO. 93.153  HIV Prevention CFDA NO. 93.939	<p>2014-2. Financial and Program Management</p> <p><u>Condition</u> Several audit adjustments were needed to correct account balances.</p> <p><u>Recommendation:</u> The accounting record should be maintained current and accurate in order to have available, reliable financial information, to be used in the managerial decisions process.</p>	N/A
<b>CORRECTIVE ACTION PLAN</b>		
<p>Puerto Rico CONCRA maintains 13 funds, handling 13 sets of books in its accounting commercial program Peachtree. Each of these 13 funds have expenses related to the normal processes, for this reason, any correction in one entry can have a multiple entry effect since it involves adjusting multiple funds. We have, and continue making efforts to prevent excessive audits adjustments. Not having solved the entire problem with the corrective action plan indicated in prior period, Puerto Rico CONCRA has hired an external accounting firm to assist in the monthly tasks required in Puerto Rico CONCRA books, such as review, suggested adjustment entries and certify that all processes and entries made in the books are justified, reasonable, correct and in accordance with normal accepted accounting principles and are in line with the management guidelines for federal funding.</p>		

Management response to Puerto Rico Community Network For Clinical Research On AIDS, Inc. (Puerto Rico CONCRA) independent annual financial audit, Schedule of Findings and Questioned Costs for the year ending December 31, 2014, Section III – Findings and Questioned Costs for Federal Awards: (continuation)

<b>CORRECTIVE ACTION PLAN (Continuation)</b>
<p><b><u>Corrective Action Plan for several audit adjustments needed to correct account balances.</u></b> (continuation)</p> <p>These processes include: cash management, accounts receivable, accounts payable, partial monthly closings and awarding costs in the various funds, whether federal, State Funds, private or not restricted. Contracted responsibilities will be to ensure that accounts payable payroll-related entries are correct and completed, so that the balance sheets of subsidiaries are in line with the balance sheets of these debts in the books in each of the funds. To do this, the contracted company will analyze our payment processes, entries and accumulations; tracking related transactions and suggesting adjustments as they arise or as necessary. Only Puerto Rico CONCRA accounting staff will enter adjusted entries, once they are presented, discussed and authorized by the Finance Director of Puerto Rico CONCRA.</p>

Management response to Puerto Rico Community Network For Clinical Research On AIDS, Inc. (Puerto Rico CONCRA) independent annual financial audit, Schedule of Findings and Questioned Costs for the year ending December 31, 2014, Section III – Findings and Questioned Costs for Federal Awards: (continuation)

Program		Questioned Costs
Ryan White Part C CFDA NO. 93.918	2014-3. Reporting Requirements	
Ryan White Part D CFDA NO. 93.153	<u>Condition</u> During our review of financial reporting, we noted that the Federal Financial Report for the quarter ended December 31, 2014, were submitted, 3 days after the due date.	N/A
HIV Prevention CFDA NO. 93.939	The annual report for the period ended June 30, 2014, in connection with HIV Prevention Projects CFDA 93.939 (Todas Program) were submitted 63 days after the due date.	N/A
	<u>Recommendation</u> We recommend procedures be established to ensure that reports are submitted on a timely basis as required by federal program regulations.	
<b>CORRECTIVE ACTION PLAN</b>		
To correct and avoid a repetition of this situation, Puerto Rico CONCRA has centralized all reports (financial, programmatic among others) in the Office of Management Information Systems (MIS). The overall objective is that, the Office of Management Information Systems (MIS) on monthly basis informs Puerto Rico CONCRA Administration of all reports pending for submission to the federal government. In addition, all fiscal office staff is being informed on a monthly basis of the reports pending for submission with their respected dates. By doing this, Puerto Rico CONCRA guarantees submission of reports on a timely manner by having varies departments aware of the due dates.		

If you have any questions, please contact us at (787) 773-0464.

Sincerely,

*Rosaura López Fontánez*, MSW/LCSW  
Executive Director